

February 2009

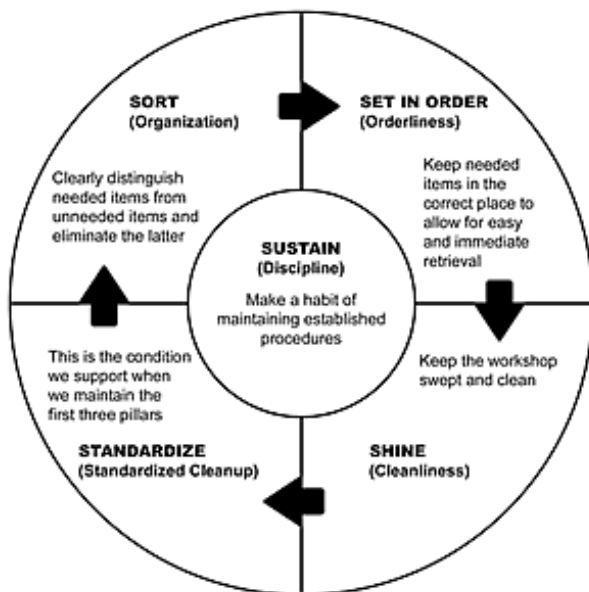
DAS PROCUREMENT UPDATE

NEW YEARS RESOLUTION: *GETTING ORGANIZED AT WORK*

When making the decision to organize your work area to achieve maximum efficiency, productivity, and increased morale there is one particular system that can have a tremendous impact on work areas and organizations. It is simply called 5S. 5S is made up of the following attributes:

1. **Sort** – Identify all the items that are needed and get rid of what is not. Keep needed items close and everything else is stored or discarded
2. **Set in order**- Create a spot for all the needed items that make an efficient work flow.
3. **Shine** – Keep your work area clean and organized. Cleanliness is a part of daily work not an occasional activity.
4. **Standardize** – Establish standardized processes.
5. **Sustain**- monitor and routinely (weekly, monthly) assess workplace environment.

More information can be found at <http://en.wikipedia.org/wiki/5S> (methodology) as well as numerous other web sites and books.



<http://www.epa.gov/lean/thinking/fives.htm>

UPCOMING EVENTS

April 6-8, 2009—**Sourcing in the Public Sector** - Lucas State Office Building, 4th Floor, 321 E 12th Street, Conference Room 424, Des Moines, IA 50319
Instructor Peter M. Hager, Director, Dept of Central Services City of Dayton, Ohio.
Contact: Laurie Hoing, laurie.hoing@iowa.gov

May 5-6—Spring Iowa Public Procurement Association Spring Meeting, in Cedar Rapids
Ethics: A Survival Kit for Public Procurement
Baymont Inn & Suites, 1220 Park Place NE Cedar Rapids, IA 52402
Instructor: Jennie E. Readey, CPPO, CPPB, Retired, of Denver, Colorado.
Contact: Diane Rodenkirk, D.Rodenkirk@cedar-rapids.org
Meeting is on the 5th and the class is on the 6th.
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JUST THE BASICS—A PURCHASING RULES REFRESHER

DELEGATED AGENCY AUTHORITY GENERAL PURCHASING PROCESS

Centralized Procurement of Goods & Services of General Use

IAC 11—105.6(8A) Centralized procurement authority and responsibilities

The Iowa Code requires the Department of Administrative Services, GSE Procurement Services to procure goods and services of general use for all executive branch agencies with the exceptions of those purchases made by the Department of Transportation, institutions under the control of the Board of Regents, the Department for the Blind, Lottery, ICN, IPI, National Guard, State Fair Authority, Community Based Corrections, the Judicial Branch, and the Legislative Branch. DAS Procurement Services currently purchases goods on behalf of 41 state agencies and approximately 16,000 state employees. In addition, political subdivisions (cities, counties, and schools) utilize many of our contracts.

To meet the Iowa Code requirements, and respond to agencies requests, DAS Procurement Services has established master contracts, approximately 550, which cover a wide range of products used by state government. Copies of the master agreements can be found at: <http://das.gse.iowa.gov/contracts/contract.html>. These contracts have been established by competitive bid and an agency can purchase directly from the vendor, without conducting a competitive bid.

Agency Direct Purchasing (Non-Centralized)

IAC 11—105.15(8A) Thresholds for delegating procurement authority

An agency may procure non-master agreement goods up to \$5,000 per transaction in a competitive manner. The Iowa Code requires all goods—no matter what the value—to be competitively bid. Most agencies use an informal competitive bid to meet this requirement. Informal competitive requests for bids or proposals may be completed electronically, by telephone, or fax. Informal bids must be tabulated, evaluated, documented and attached to the purchase order. Documentation of awards for solicitations using informal competition is public record and is made available to interested parties upon request.

IAC 11—105.15(2) Agency direct purchasing—advanced level. An agency certified by the DAS Procurement Services as a “procurement center of excellence” may procure non-master agreement goods up to \$50,000 per transaction in a competitive manner. To be certified, agency personnel engaged in the purchase of goods must complete enhanced procurement training established by DAS Procurement Services. Agency personnel must complete training within a two-year period in order for the agency to be certified.

Advanced Level Purchasing Requirements

- I/3 Procurement Documents Instruction Class
- GSE Rules and Policies’ Class
- Require use of I/3
- Use the appropriate commodity code
- Conduct no bid for a item already on contract
- Two NIGP courses sponsored by GSE
 - ◊ Introduction to Public Procurement
 - ◊ Sourcing in the Public Sector

IAC 11— 105.15(1)

DAS Procurement Services will bid all goods over \$5,000, which are not on a master contract. To process a request, use the I/3 system for purchasing requisitions. The requisition will be routed to

the buyer responsible for the commodity.

Exemptions from Competitive Procurement — IAC 11—105

The following four reasons justify a purchase without a competitive bid:

1. Emergency Procurement

An emergency procurement is justifiable when it meets one of the following conditions:

- Threats to public health, welfare or safety,
- There is a need to protect the health, welfare or safety of persons occupying or visiting a public improvement or property located next to a public improvement,
- The state agency must act to preserve critical services or programs, the need is a result of events or circumstances not reasonably foreseeable.

The DAS Director or designee must approve all emergency requests for goods. The sole source/emergency request/justification forms are available at: <http://das.gse.iowa.gov/solesource.pdf>

2. Sole Source Procurement

Sole source procurement shall be avoided unless clearly necessary and justifiable. The DAS Director may exempt the purchase of a good of general use from competitive selection process when the purchase qualifies as sole source procurement as a result of the following circumstances:

- One vendor is the only one qualified or eligible or is quite obviously the most qualified to provide the good or service.
- The procurement is of such a specialized nature or related to a specific geographical location only a single source, by virtue of experience.
- Expertise, proximity, or ownership of intellectual property rights, could most satisfactorily provide the good or service.
- Applicable law requires, provides for, or permits use of a sole source procurement.
- The federal government or other provider of funds for the goods and services being purchased (other than the state of Iowa) has imposed clear and specific restrictions on the use of the funds in a way that restricts the procurement to only one vendor
- The procurement is an information technology device or service that is systems software or an upgrade, or compatibility is the overriding consideration, or the procurement would prevent voidance or termination of a warranty, or the procurement would prevent or default under a contract or other obligations

3. Targeted Small Business (TSB) Procurement — IAC 11—105.4(2)

Agencies may purchase from a TSB without competition for a purchase up to \$10,000.

Agencies must confirm that the vendor is certified as a TSB by the Department of Inspections & Appeals on the Department of Inspections & Appeals web site: <https://dia.iowa.gov/tsb>. An agency may contact the TSB directly.

IAC 11—105.7(2) Targeted small businesses shall be notified of all solicitations at least 48 hours prior to the general release of the notice of solicitation. The notice shall be posted on the state of Iowa's 48-hour procurement notice Web site for posting.

For assistance posting on the TSB website, please contact Pam Dickey at: pam.dickey@iowa.gov, 515-281-6355.

4. Iowa Prison Industries (IPI) — IAC 11—105.4(3) Iowa Prison Industries (IPI) procurement. Agencies shall purchase products from IPI or obtain a written waiver in accordance with **Iowa**

Code section 904.808. The Iowa Code provides that agencies shall not purchase from a vendor other than IPI, if IPI offers the product or services.

Agencies may receive a waiver from IPI after mutually determining that IPI is unable to meet the price and performance characteristics of the purchase request.

Procurement of Services

IAC 11—106

Iowa Rules for services differ from goods in a few areas, but generally follow similar policies. All agencies are allowed to conduct their own solicitation and contracting for services, and must follow competitive bidding processes. DAS Procurement Services will assist with service contracting needs, or you can choose to conduct the solicitation on your own.

Competitive Procurement for Service Contracts

IAC 11—106

State agencies must use competitive selection to acquire services from private entities when the estimated annual value of the service contract is equal to or greater than \$5,000. When the estimated annual value of the service contract is equal to or greater than \$50,000 or the estimate value of the multiyear service contract in the aggregate, including renewals, exceeds \$150,000, a state agency must use a formal competitive selection process to procure the service.

IAC 11—106.11(8A) Duration of Service Contracts.

106.11(1) Each service contract signed by a state agency shall have a specific starting and ending date. State agencies shall not sign self-renewing service contracts that do not have a specific ending date. A service contract, including all optional renewals, shall not exceed a term of six years.

Additional information is available at the following sites:

Iowa Administrative Rules, Chapters 105, 106 and 107:

<http://das.gse.iowa.gov/procurement/adminrules/chap105.html>

<http://das.gse.iowa.gov/procurement/adminrules/chap106.html>

<http://das.gse.iowa.gov/procurement/adminrules/chap107.html>

DAS GSE Purchasing Website: <http://das.gse.iowa.gov/procurement/index.html>

Bid Opportunities: <http://bidopportunities.iowa.gov/>

Service Contracting Guide:

<http://das.gse.iowa.gov/procurement/scg2.html>

IT Standards: <http://www.das.ite.iowa.gov/standards/index.html>

Technology Governance Board: <http://tgb.iowa.gov/>

Info on TSB Program: <https://dia.iowa.gov/tsb>

TSB 48 Hour Notice Web Site: <http://www.iowalifechanging.com/business/tsb/tsb.htm>

To Search for a TSB: <https://dia.iowa.gov/tsb/index.php/search>

CONTRACT FOR “OILS & LUBRICANTS” FROM A TSB

If your agency is in need of Oils & Lubricants, please check the TSB contract with G2 Fuel Technologies at: <http://das.gse.iowa.gov/contracts/TSB3314-08.pdf>

IS IT A UNIQUE SERVICE OR A SERVICE OF GENERAL USE?

Have you ever wondered if your agency is the only agency using a particular service from a particular vendor? Can my agency get better pricing if we combine our volume with the volume of other agencies? DAS GSE Purchasing would be happy to review your requirements and survey all other agencies to help you answer those questions. If multiple agencies have similar needs for a service, DAS GSE Purchasing will conduct a RFB or RFP on your behalf. Many services may already be on general contract or about to be on contract. Some services could be ripe for "strategic sourcing" on an enterprise basis. Contact Debbie.Oleary@iowa.gov

WSCA IT CONTRACTS

WSCA has issued a new RFP for PC/Printer/Server to replace the current WSCA PC contracts, which expire in 2009. We do not anticipate any major changes to the contract offerings other than **a.)** new contract numbers and **b.)** better discounts. More emphasis was also placed on green technology in the RFP.

The State of Iowa is now participating in the new WSCA "Data Communication Hardware" contracts with Cisco and Extreme Networks, Inc. Paperwork is in process to officially

ORACLE

The state has formed a committee to develop a RFP for a multi-vendor contract with Value Added Resellers (VARs) of all Oracle Software Products and Services. The process will take several months. In the meantime, Oracle licenses are still available from Insight and maintenance is temporarily available on CT3079X. <http://das.gse.iowa.gov/contracts/CT3079X.pdf>

CELL PHONE PROGRAMS AND DISCOUNTS

Recently the cell phone programs and discounts have been updated for 2009. Please check these at: <http://das.gse.iowa.gov/contracts/cellphone.html> Something new: US Cellular is expanding their contract so school employees can get the State of Iowa discount. Look for more information in the near future or contact James Liniger james.liniger@uscellular.com or Michael Leo michael.leo@uscellular.com

HOW'S OUR SERVICE?

It is our goal to provide Exceptional Customer Service. Use the link to report experiences involving our staff, systems and processes. (good or bad) <http://das.gse.iowa.gov/ourservice.pdf>

FEEDBACK NEEDED!!

We hope you have found this DAS PROCUREMENT UPDATE informative. We plan to publish UPDATE quarterly. It may contain information about new contracts...articles of interest...and future items. Please let us know if you would like a particular topic covered by contacting Pam Dickey at : pam.dickey@iowa.gov or Debbie O'Leary at: debbie.oleary@iowa.gov



IOWA PUBLIC PROCUREMENT ASSOCIATION NEWS

The first annual fall kick-off and business meeting was a huge success. We want to thank all those that joined and attended the meeting that was held November 19, 2008 in the Wallace Building in Des Moines. We currently

have 76 members!

The Board has continued to meet monthly via teleconference and have made progress towards getting all the things done to get the chapter running. Chapter policies will be developed soon. We also developed a website for members to access for information about the chapter. If you are a member, you should have received an e-mail regarding the website. If you haven't taken a look, please do. Your comments or feedback can be sent to any of the board members.

The Education Committee met and are working on Education opportunities for 2009. Training information will be posted to the website and will also be sent via e-mail. Please see the Upcoming Events section for dates.

If you have any questions about our chapter, please don't hesitate to contact any of the board members.

Luana Stoneking, CPPB, City of Ames (President)
Judy Lehman, CPPB, City of Cedar Rapids (Vice-President)
Laurie Hoing, Iowa Department of Administrative Services (Secretary)
Pat Harmeyer, Iowa Department of Transportation (Treasurer)
Jill Kennebeck, Iowa Department of Corrections (Member at Large)
Catherine McRoberts, CPPB, University of Northern Iowa (Member at Large)
Bob Spring, Davenport Schools (Member at Large)

MORE DATES TO REMEMBER

May 18-20, 2009—Intro to Public Procurement

DCI Conference Room, 2240 S Ankeny Blvd, Ankeny, IA 50023

Instructor Bill Davison, Purchasing Director, County of Stearns In St. Cloud, Minnesota

Contact: Laurie Hoing, laurie.hoing@iowa.gov

September 17-18, 2009—Effective Contract Writing

Iowa Department of Transportation Training Center, 903 Lincoln Way, Ames, IA 50010

Instructor Michael Kolodisner, Unit Manager, Metropolitan Water District of Southern California

Contacts: Rhonda Ruark, Rhonda.Ruark@dot.iowa.gov

Edie Schmidt, ESchmidt@city.ames.ia.us

October 22-23, 2009—Customer Service: The Key to Success in Procurement

City Hall-Iowa City, 410 E Washington Street, Iowa City, IA 52240

Instructor Tony Ellis, Retired with 35 years of Public Procurement

Experience in South Carolina. Contact: June Nasby, June-Nasby@iowa-city.org

May 21, 2009— "Central Iowa Procurement Services" Group—Meeting in the Dept of Public Safety Bldg, 215 E 7th St, Conference Rm 125, Main Entrance